



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	HB0138	Title:	Consider housing needs in discharge plans to the Montana State Hospital
Primary Sponsor:	Hill, Ellie Boldman	Status:	As Amended

- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
Expenditures:				
General Fund	\$57,127	\$58,031	\$58,772	\$59,486
Federal Special Revenue	\$55,682	\$56,301	\$57,098	\$57,956
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$55,682	\$56,301	\$57,098	\$57,956
Net Impact-General Fund Balance:	<u>(\$57,127)</u>	<u>(\$58,031)</u>	<u>(\$58,772)</u>	<u>(\$59,486)</u>

Description of fiscal impact: HB 138 requires a discharge plan for a patient admitted to the Montana State Hospital to address the patient's needs upon discharge, prohibiting discharge to a homeless shelter.

FISCAL ANALYSIS

Assumptions:

- Based on an average of discharges to homeless shelters in the past four years, 18 patients per year have been discharged to homeless shelters from the Montana State Hospital. In 2011, 26 patients were discharged to homeless shelters; in 2012, 12 were discharged to homeless shelters; in 2013, 10 were discharged to homeless shelters; and in 2014, 23 patients were discharged to homeless shelters. $((26+12+10+23)/4 = 18)$
- Housing options after a patient is discharged from the Montana State Hospital can include group homes or private rental apartments or homes. Since eligibility determination for SSI or SSDI currently takes 4-6 months, assistance would be necessary from the state for temporary housing during this timeframe to meet the homeless or homeless shelter restriction. A patient is estimated to need either a group home or private rental for up to 90 days until

permanent housing can be identified, and SSI or SSDI determination is completed. It is estimated that 50% of the patients would be placed in a private rental and 50% would be placed in a group home.

3. Private rental costs were based on the average HUD 2014 Montana Fair Market rate per county of \$575 per month (\$19.16 per day) with a 1.5% inflation rate per year. In 2016, a private rental is estimated to cost approximately \$19.74 per day and 9 of the 18 people discharged would be placed in a private rental at a cost of \$15,989 (9 x \$19.74 x 90). Assuming nine (9) of the 18 people discharged in each of the following years would be placed in private rentals with a 1.5% inflation increase each year, the costs in FY 2017 would be \$16,232; \$16,475 in FY 2018; and \$16,727 in FY2019.
4. Individuals housed in group homes are assumed to be eligible for Medicaid. The group home is estimated to cost \$119.53 per day in FY 2016. This rate is assumed to increase 2% each year, but any provider rate increases would be based on either Executive or Legislative branch actions. In FY 2016, nine (9) of the 18 people would be placed in a group home for a total cost of \$96,819 (\$119.53 x 9 x 90). In FY 2017, the cost would be \$98,099; in FY 2018, the cost would be \$99,395; and in FY 2019, the cost would be \$100,715. The daily group home rate would be eligible for Medicaid reimbursement at the current FMAP rate. The daily room and board rate would be funded with general fund.
5. Federal Medicaid reimbursements would total \$55,682 in FY 2016 (\$105.37 x 65.24% x 9 x 90), \$56,301 in FY 2017 (\$106.95 x 64.99% x 9 x 90), \$57,098 in FY 2018 (\$108.85 x 64.94% x 9 x 90), and \$57,956 in FY 2019 (\$110.18 x 64.94% x 9 x90).

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Benefits/Claims	\$112,809	\$114,332	\$115,870	\$117,442
TOTAL Expenditures	\$112,809	\$114,332	\$115,870	\$117,442
<u>Funding of Expenditures:</u>				
General Fund (01)	\$57,127	\$58,031	\$58,772	\$59,486
Federal Special Revenue (03)	\$55,682	\$56,301	\$57,098	\$57,956
TOTAL Funding of Exp.	\$112,809	\$114,332	\$115,870	\$117,442
<u>Revenues:</u>				
Federal Special Revenue (03)	\$55,682	\$56,301	\$57,098	\$57,956
TOTAL Revenues	\$55,682	\$56,301	\$57,098	\$57,956
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$57,127)	(\$58,031)	(\$58,772)	(\$59,486)

Sponsor's Initials

Date

Budget Director's Initials

Date